

[FOR ISSUE BY RNS]

LETTER FROM THE CHAIRMAN OF LEKOIL NIGERIA TO SHAREHOLDERS OF LEKOIL LIMITED

3 December 2021

Dear Lekoil Limited Shareholders

INDICATIVE OFFER TO ACQUIRE LEKOIL LIMITED SHARES AND POTENTIAL SHARE EXCHANGE

Summary

The Board of Lekoil Limited as currently constituted has failed its shareholders. If the resolutions at the forthcoming AGM are to be passed, Shareholders stand to suffer over a 40% dilution of their shareholding merely to fund the salaries and costs of the current Board of Lekoil Limited.

Admission to trading of the shares of Lekoil Limited has been suspended for over sixty (60) days and is unlikely to be restored (given that after thirty (30) days suspension from trading, an issuer would be required to reapply to the London Stock Exchange for a new admission to listing), leaving Shareholders in an illiquid investment and a company without regulatory oversight of AIM Regulation and the London Stock Exchange.

Lekoil Nigeria would like to propose to shareholders an alternative as follows:

- To acquire your shares at a premium of 100% to the last trading price of Lekoil Limited shares prior to suspension, which has now made the shares illiquid,

AND / OR

- To acquire your shares in exchange for the issue of new shares in Lekoil Nigeria

Lekoil Nigeria will be writing to you not later than December 14, 2021, setting out in detail its proposal.

Recommendation

The Board of Lekoil Nigeria recommends that you vote against the resolutions to be proposed at Lekoil Limited AGM, save for the approval of the financial statements for 2021.

Introduction

I am writing to you in connection with the notice of annual general meeting of Lekoil Limited dated 26 November 2021 (the **AGM Notice**) and to present Lekoil Limited Shareholders (**Shareholders**) an

alternative to the proposals from Lekoil Limited to dilute Shareholder's interest in Lekoil Limited solely to maintain a redundant Board of directors and compensate a group of shareholders purporting to protect the Company's interests, but in reality are determined to destroy all value in the company.

As fellow Shareholders, the Board of directors of Lekoil Nigeria Limited (**Lekoil Nigeria**) received the AGM Notice and no doubt experienced the same dismay and disappointment as experienced by the many Shareholders who have been in touch with us. The same Board of directors of Lekoil Limited and activist Shareholders that asked you to place your trust in them and promised you improved corporate governance has displayed a pitiful disregard for corporate governance and a singular determination to destroy the company.

The Board of Lekoil Nigeria believes that Shareholders deserve an alternative option to that presented by the Board of Lekoil Limited in the AGM Notice. In this letter, I have set out how the Board of Lekoil Limited have failed Shareholders and the reasons why your fellow Shareholder, the Board of Lekoil Nigeria, consider that it is time for a change of direction for Lekoil Limited. In this letter, I have set out the options that the Board of Lekoil Nigeria would like to present to Shareholders to prevent the long term dilution of your investment and to deliver long term value and prospects to Shareholders.

The Board of Lekoil Limited has failed you

Twelve months ago, Metallon Corporation requisitioned an Extraordinary General Meeting (EGM) citing inadequate corporate governance on the part of the then Board of directors of Lekoil Limited. The requisitionist sought and obtained the appointment of three directors, Mr George Maxwell (the only suitably qualified nominee), Mr Michael Ajukwu and Mr Thomas Richardson. Since the Requisitioned EGM, George Maxwell, Michael Ajukwu and myself have resigned from the Board of Lekoil Limited. The Chief Financial Officer (CFO), Ed Daring has also resigned from his position, citing his inability to continue with a Board showing blatant disregard for the views of the CFO and a propensity to mislead regulators.

The principal requisitionist, Metallon Corporation, owned by Mzi Khumalo has purportedly disposed of its interest (yet his appointee and the Chief Executive Officer of Metallon Corporation, Thomas Richardson, inexplicably remains on the Board of directors of your company).

Corporate governance has reached an all-time low under the stewardship of Executive Chairman, Anthony Hawkins. Mr Hawkins has clearly shown that he is not representing the interests of Shareholders as a whole, but that of a clique of Shareholders who have taken control of your company and whose behaviour since then has confirmed their sole intent was to gain outright control and strip the assets of Lekoil Nigeria.

The admission to trading of the shares of Lekoil Limited has been suspended for over sixty (60) days and is unlikely to be restored (given that after thirty (30) days suspension from trading, an issuer would be required to reapply to the London Stock Exchange for a new admission to listing) , leaving Shareholders in an illiquid investment and a company without regulatory oversight of AIM Regulation and the London Stock Exchange. It is hard not to conclude that the suspension of Lekoil Limited's shares from trading was not also the intention and design of an incompetent Board of directors.

Lekoil Limited failed to publish its accounts on time [(something that has never occurred since its incorporation)] and only published its accounts four months after it was legally obliged to do so, leading to the suspension of Lekoil Limited's shares from trading on AIM. This is notwithstanding the fact that Lekoil Nigeria provided its audited financial statements to Lekoil Limited in May 2021, enabling Lekoil Limited to publish accounts immediately thereafter. The financial statements ultimately published by Lekoil Limited were substantially the same financial statements as would have been published five months prior.

Lekoil Limited misled AIM Regulation to obtain an extension to the publication of its accounts.

The Board of Lekoil Limited has entered into a Convertible Facility Agreement (**CFA**) pursuant to which Lekoil Limited will issue 40 million shares in Lekoil Limited (representing about 7.5 % of the issued share

capital) at 0.5p per share, a discount of approximately 50% to the last trading price prior to the suspension of trading of Lekoil Limited. Pursuant to this CFA, shares will be issued to entities controlled by two directors, Thomas Richardson and Marco D' Attanasio, and an unnamed and unknown third person. Why will the Board of Lekoil Limited not disclose the beneficiary of this right to convert into shares of Lekoil Limited at an over 50% discount?

The Board of Lekoil Limited is redundant, conflicted and not aligned with Shareholder's interests

As a consequence of the Board of Lekoil Limited's conduct, it has alienated itself from Lekoil Nigeria. Whilst Lekoil Nigeria continues to build an oil and gas company with a diversified portfolio of assets for the benefit of all shareholders and stakeholders, the Board of Lekoil Limited merely wishes to gain control of the assets of Lekoil Nigeria for personal gain/advantage and that of its clique of shareholders.

Prior to the requisitioned EGM, the then Boards of Lekoil Limited and Lekoil Nigeria had undertaken a major cost reduction exercise and reduced employee headcount and the number of directors across both Boards from seven to four. Today the current Board of Lekoil Limited, who have no duties or responsibilities to carry out, now comprises six directors including four new appointees. It is unclear why one executive director and five non-executive directors are required to manage a company with no employees, no offices and no direct management of oil and gas assets.

Lekoil Limited has not raised any funding from the capital markets in the last six years. Given the current drive to energy transition and achieving net-zero, the sources of equity funding of oil and gas exploration and development have narrowed.

In the absence of a listing, what then would be the rationale for the continued existence of Lekoil Limited as it is currently composed? The Board of Lekoil Limited is not currently engaged in any oilfield activities or management.

Shareholders are being asked to pay for a redundant Board of directors. The Board of Lekoil Limited is asking you to approve resolutions at the AGM, which will potentially dilute Shareholder interest by over 40% in the current financial year, (no doubt with further dilutions to follow). It is likely that the costs to Shareholders of maintaining a redundant Board of directors is in excess of US\$500,000 and up to US\$1,000,000 per year.

Lekoil Nigeria's proposal to Shareholders

Lekoil Nigeria will be writing to you not later than December 14, 2021, setting out in detail its proposal:

- **To acquire your Lekoil Limited shares at a premium of 100% to the last trading price of Lekoil Limited shares prior to suspension**

AND / OR

- **To acquire your Lekoil Limited shares in exchange for the issue of new shares in Lekoil Nigeria**

In view of the intention of the Board of Lekoil Limited to dilute your shareholding by over 40% in one year and the likely intentions of the Board of Lekoil Limited to renew these types of resolutions on an annual basis and enter into further convertible facility agreements, the Board of Lekoil Nigeria is offering Shareholders the opportunity to liquidate for cash their shares in Lekoil Limited.

Alternatively, if shareholders would like to maintain exposure to future upside potential in the business through an interest in Lekoil Nigeria, which can be held directly, a share exchange mechanism will also be proposed.

To implement a share exchange offer, the consent of Lekoil Limited would be required and it is expected that the current Board will not grant its consent. Accordingly, it will be necessary for the current Board of Lekoil Limited to be removed. We urge you to vote against the resolutions to be proposed at the AGM to reappoint Marco D'Attanasio, Alphonso Tindall, Olapade Durotoye and Adeoye Adefulu, as well as the resolutions to approve the dilutive issuance of over 40% of the issued shares of Lekoil Limited.

Lekoil Nigeria will be sending a formal offer circular to Shareholders in the next 10 calendar days making a cash offer and a share exchange offer, as well as seeking the support of Shareholders to remove the current Board of Lekoil Limited and implement the restructuring of Lekoil Limited to align it with the interest of its Shareholders.

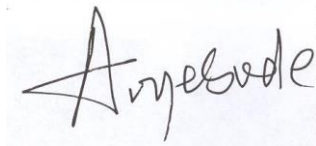
What should Shareholders do?

Shareholders are asked to:

- vote against all of the resolutions proposed at the forthcoming AGM save for resolution 1 to approve the financial statements of Lekoil Limited;
- wait to receive the offer from Lekoil Nigeria and consider the options to be presented to Shareholders by Lekoil Nigeria to either sell your shares in Lekoil Limited for cash or (if circumstances permit) exchange your shares in Lekoil Limited for shares in Lekoil Nigeria.

I look forward to writing to you not later than December 14, 2021, with the details of our proposed cash offer and share exchange . It is time to put an end to the mismanagement of Lekoil Limited by the current redundant Board of directors.

Yours faithfully

A handwritten signature in black ink that reads "A Oyebode". The signature is written in a cursive style with a large, stylized initial 'A'.

Aisha Oyebode

Chairman Lekoil Nigeria Limited